

FOURTH QUARTER NATIONAL PRODUCT DOWN 1 P. C.

UP ON LAST YEAR: Canada's gross national product in the fourth quarter of 1953 was at a seasonally adjusted annual rate of \$24,248 million. This represents an increase of 1% over the fourth quarter of a year ago, but a decline of approximately 1% from the third quarter level of \$24,512 million.

The moderate reduction in the value of output between the third and fourth quarters of 1953 reflects primarily a cessation in the rate of business inventory accumulation. Expenditures of consumers and governments on goods and services and outlays for new construction were stable. However, there were declines in both seasonally adjusted exports and imports of goods and services and in investment in new machinery and equipment.

WAGE GAINS MINOR

On the income side, gains in wages and salaries were minor in the fourth quarter, both before and after seasonal adjustment. Thus the levelling off in this component which was apparent in the third quarter continued into the fourth quarter of 1953. Among the groups affected by this development were manufacturing, construction, transportation and trade; services continued to expand. However, when comparisons are made with the fourth quarter of last year, all major groups show increases with the exception of the primary industries group, the latter reflecting lessened activity in forestry. It may be noted that the September-December seasonal rise in the composite index of employment, which has occurred in each of the past five years, did not take place in 1953; in 1953, the index declined slightly between these two months. However, average hourly earnings showed no tendency to falloff.

The major item in investment income, corporation profits before taxes, was approximately the same in the fourth quarter as in the third quarter of 1953 (seasonally adjusted); both the third and fourth quarters

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RETAIL SALES DOWN 4 PER CENT: Canada's retail outlets had an estimated sales total of \$805,838,000 in January, 4% under the preceding year's January sales of \$839,398,000. Sales declines were shown by all economic areas, ranging in size from 0.8% in Ontario to 10.2% in Alberta. In the Atlantic Provinces sales fell 5.1%; Quebec, 3.1%; Manitoba, 6.6%; Saskatchewan, 7.6%; and British Columbia, 9%.

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AUTO SHIPMENTS UP: Factory shipments of Canadian-made motor vehicles in January rose to 40,310 units, 12% above last year's corresponding total of 35,894 units. This was the highest monthly total since July's 48,691 units.

were below the level of the preceding two quarters. Other items of investment income were, in total, down slightly from the third quarter after seasonal adjustment.

Accrued net income of farm operators from farm production was down 18% from the fourth quarter of a year ago, as a result of both lower production and prices. The first three quarters of 1953 were also lower than a year ago. For the year 1953 as a whole the decline in accrued net income of farm operators averaged out to approximately 14%. There were no significant changes in net income of non-farm unincorporated business.

MIXED TRENDS

The components of gross national expenditure, as noted previously, showed mixed trends in the fourth quarter with elements of continued strength being more than offset by declines in some sectors. Consumer purchases of goods and services were at a seasonally adjusted annual rate of \$15.1 billion, slightly higher than in the third quarter. While purchases of durables remained steady, with increases in television sets offsetting declines in some other appliances, the rate of non-durable purchases edged upward, reflecting increases in food and a slight rise in clothing expenditures. It is interesting to note that new automobile purchases were about level with the fourth quarter of 1952, although they were considerably higher in the first three quarters of 1953 than in the corresponding period of 1952. Expenditure on services continued to increase in the fourth quarter.

The expansionary impetus of the defence program was not as significant in 1953 as in the preceding two years; defence expenditures in the fourth quarter, seasonally adjusted, showed little change from preceding quarters. However, provincial and municipal government expenditures increased moderately in the last quarter of 1953.

Sales of Canadian wholesalers were 169% greater in 1951 than a decade earlier but the number of establishments was up only 6%, according to the first of two reports by the Dominion Bureau of Statistics on the 1951 Census of wholesale trade. Sales in the 10 provinces and two territories totalled \$14,223,198,900 in 1951 as against \$5,290,750,000 in the nine provinces and the territories in 1941.

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Production of 11 of Canada's 16 leading mineral products was higher in the year 1953 than in 1952, with major increases in cement, clay products, iron ore, lead, natural gas, petroleum, and silver. There were declines in asbestos, coal, copper, gold, and salt.